



Atty Docket No: 28331.010200

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of
Clement W. BOWMAN

Group Art Unit: 2166

Serial No.: 09/240,053

Examiner: Kalinowski

Filed: January 29, 1999

For: COMPUTERIZED PROCESS FOR MEASURING THE VALUE OR
PERFORMANCE OF AN ORGANIZATION OR INTANGIBLE ASSET

DECLARATION OF J. RONALD MCCULLOUGH UNDER 37 C.F.R. SECTION 1.132

Honorable Commissioner of
Patents and Trademarks
Washington, D.C. 20231

SIR:

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FEB 12 2004

GROUP 3600

I, J. Ronald McCullough, declare and say as follows:

I am a citizen of Canada and reside at 1 Beaumont Road, Toronto, Ontario, Canada,
M4W 1V4.

I have acquired a 10-year exclusive license to use the "Computerized Process for
Measuring the Value or Performance of an Organization or Intangible Asset", as described in
pending U.S. Patent Application Serial No. 09/240,053, of Clement W. Bowman.

I, and a group of experienced management consultants, have established a company,
ProGrid Ventures Inc., to commercialize the invention described and claimed in the above-
referenced patent application. The invention is sold under the name ProGrid, and ProGrid
Ventures Inc. has been able to sub-license the invention to more than 20 major Canadian

EXHIBIT

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organizations that are involved in technology-intensive investments. Essentially the entire revenue stream of the company, approaching \$1 million annually, is derived from ProGrid and ProGrid-related activities.

I personally have had considerable experience in assessing organizational performance and valuing intellectual assets. This included 10 years as a Vice President for Spar Aerospace Limited. I held senior executive roles in the Canadarm (Canada's contribution to the Space Shuttle and the International Space Station) and was the executive responsible for Spar's space telecommunications and military electronics and surveillance business units. Following these, I held the corporate responsibilities of the Chief Technology Office and the executive responsible for Strategic Planning. As such, I was responsible for a technology portfolio of considerable range that was enabled by an R&D budget of about \$100 million per year and a technology staff of about 1000.

I was also a leader in establishing a new and unique set of organizations in Canada which created university-industry joint ventures focused on creating and new market driven technologies in areas critical to the country and in helping to bring these successfully to market. Organizations such as PRECARN Associates, the Ontario Centres of Excellence and the Networks of Centres of Excellence cover a very wide range of commercially useful technologies and are active and strong fifteen years after their inception.

In the above, I have used many management tools and methodologies. I grew to appreciate that the success of our ventures – either within our individual companies or within partnerships – was critically dependant on the quality of the decisions made on where to place scarce resources of time, facilities or money. In most cases, these decisions were based on “inputs” that were dominated by intangibles and had “outputs” which would not be realized for many years. I had used many of the generally accepted tools and methodologies and found that none were sufficient to the challenges. Early in my career, I completed an MBA and have remained since that time a “student” of management science and decision practices. None of the methods that I have seen described in the literature are able to do what the ProGrid system provides, namely the ability to quantify and compare intangibles. My work experience prior to forming ProGrid Ventures Inc. reinforced this view.

I am aware that many of the clients of ProGrid Ventures Inc. have researched alternatives before selecting ProGrid. To my knowledge, while some of our potential clients have chosen to continue to use existing decision processes that they have developed themselves, none have selected an alternative methodology over ProGrid.

Our sub-licensees have attested to the novelty and superiority of the ProGrid system, as evidenced by their comments which I have compiled. A true and correct copy of those comments is attached hereto as Exhibit A.

The invention described and claimed in U.S. Patent "Computerized Process for Measuring the Value or Performance of an Organization or Intangible Asset" is a major advance in the management of intellectual capital and is responsible for the commercial success of ProGrid Ventures Inc.

The undersigned declares further that all statements made herein of his own knowledge are true and that all statement made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statement may jeopardize the validity of the application or any patents issuing thereon;

Further declarant saith not.

Dec. 16, 2003
Date

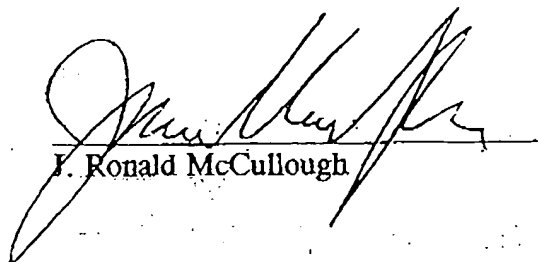

J. Ronald McCullough

EXHIBIT A TO MCCULLOUGH DECLARATION
ACCLAIM IN THE INDUSTRY

AVAC (Alberta Value-Added Agricultural Corporation)

"Working collaboratively with ProGrid Ventures Inc. over the past three years, AVAC Ltd. has developed several powerful customized ProGrid assessment tools which are an important part of our due diligence process. Besides helping us assess the "intangible assets" of the pre-commercial proposals we receive, the ProGrid analysis assists us in providing professional, objective feedback and mentoring to our clients." Keith Jones, President and CEO, AVAC Ltd.
DRDC (Defence Research and Development Canada)

"Defence R&D Canada used ProGrid methodology in selecting projects for both our Technology Development Program-2000 and Technology Investment Fund-2000. In both cases we noted substantial reductions in the time the review committee took to reach consensus. Using the ProGrid benchmarked criteria developed by the Program Directors, applicants and reviewers rapidly developed a fuller appreciation of the value and the potential impact of the proposals." Dr. Robert Walker, Director General R&D Programs

ISRIP (Innovation and Science Research Investments Program)

"The ProGrid assessment tools developed for the Innovation and Science Research Investments Program (ISRIP) have been key to our review process. ProGrid provided an important organizational framework for ISRIP's Scientific Review Panel and external peer reviewers to assess, rate and discuss proposals across a spectrum of research areas. An altogether useful tool for a challenging job."

Peter Hill, Director, University Research and Strategic Investments, Alberta Innovation and Science

Launchworks Inc.

"The ProGrid tool is an important element of our overall deal flow and knowledge management system. It consolidates various inputs gathered through Launchworks' investment review

process, provides analyses and then presents them in a meaningful and succinct manner. As a result, we are able to respond to investment proposals with clarity and in a timely fashion."

Mark Carlson, Managing Director, Calgary

MMO

"Materials and Manufacturing Ontario, (MMO), has been working with ProGrid Ventures for more than 4 years. We have found ProGrid to be a very effective tool for selecting research projects, and for helping to decide whether or not a laboratory proven concept is ready for commercialization. MMO uses ProGrid-TA as a decision-making aid to help select the steps, if any, that should be taken in attempting to commercialize a laboratory proven concept. We have found it useful in highlighting lacunae, thus focusing continuing development on the most critical factors.

MMO has made much more extensive use of ProGrid as a decision-making aid in the selection of research projects for funding. MMO uses three slightly different versions of ProGrid to choose which projects should be funded in each of its three research thrusts (new faculty, enabling and collaborative). It has proved to be invaluable in allowing MMO fairly to compare projects in very different fields of science/engineering. ProGrid also serves to communicate to applicants the values and objectives of each of the three research programs. It has one further advantage, referees find it a simpler and less time consuming system for the rating of projects."

Geoff Clarke, President, Materials Manufacturing Ontario

SCBC, Forest Renewal BC

"The largest benefit to Forest Renewal BC in using ProGrid involves the introduction and use of the evaluation matrix. The matrix provides significant structure for the application process, focusing applicant attention on what is of critical importance to Forest Renewal BC, and later improves the efficiency of the peer review teams, by targeting discussion on areas of review variance." Chris Ortner, Manager, Forest Research Program, Forest Renewal BC

Ontario Ministry of Natural Resources

The easy-to-use ProGrid software is a cornerstone of our performance management system for science activities. Both criteria and language ladder statements provide a consistent link to the core values of the organization. Evaluation of project proposals relative to these statements, in turn, allow transparent and defensible decisions to advance the organization in achieving excellence in the application of research and technology transfer for solving resource management problems.

Jim Baker, Science Business Coordinator, Ontario Ministry of Natural Resources



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Serial No.: 09/240,053
Filed: January 29, 1999

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Commission for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

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ALEXANDRIA, VA 22313-1450 ON 2/3/04

Sandra Ferony
SANDRA FERONY

Sir:

Transmitted herewith is a Reply including Exhibits 1-3 in the above-identified application.

- ☒ Applicant claims Small Entity Status.
☒ No additional fee is required.

The fee has been calculated as shown below.

(1)	(2) CLAIMS REMAINING AFTER AMENDMENT	(3)	(4) HIGHEST NO. PREVIOUSLY PAID FOR	(5) PRESENT EXTRA	(6) RATE	(7) ADDITIONAL FEE
TOTAL CLAIMS	20	MINUS	20	0	x \$9.00	\$0.00
INDEP. CLAIMS	1	MINUS	1	0	x \$39.00	0.00
<input type="checkbox"/> FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM						
			TOTAL ADDITIONAL FEE FOR THIS AMENDMENT		\$0.00	

☐ The amount of \$ _____ is included in the attached check.

☐ Please charge my Deposit Account No. 50-0653 in the amount of \$ _____. Two copies of this sheet are attached for this purpose.

Applicant(s) request(s) that the time for taking action in this case be extended pursuant to 37 C.F.R. §1.136(a).

☒ Included in the attached check is the statutory fee of \$55.00 for an extension of time for one month.

☒ If the box for the sentence immediately above is marked but no check is attached, then charge the statutory fee recited in such sentence for an extension of time of the number of months recited in such sentence to Deposit Account No. 50-0653. Two copies of this sheet are attached for this purpose.

☐ Charge the Statutory Fee of \$ _____ for an extension of time of month(s) to Deposit Account No. 50-0653.

☒ The Commissioner is hereby authorized to charge any deficiencies in payment of the following fees associated with this communication or credit any overpayment to Deposit Account No. 50-0653:

☒ Any filing fees under 37 C.F.R. §1.16 for the presentation of extra claims.

☒ Any patent application processing fees under 37 C.F.R. §1.17.

Respectfully submitted,

GREENBERG TRAURIG, LLP

BY: 
James E. Goepel

DATE: February 3, 2004